



STATE SENATOR

Eric Wimberger

DISTRICT 2

Assembly Committee on State Affairs

Re: Assembly Bill 286- interest earned on coronavirus state and local fiscal recovery funds.

June 11, 2025

Thank you, Representative Swearingen and committee members, for holding a hearing on Assembly Bill 286, which lapses over \$172 million from a federal program revenue appropriation to the general fund.

To help the state recover from the negative effects of the pandemic, the federal government advanced the state \$3 billion through the *Coronavirus State and Local Fiscal Recovery Funds* (CSLFRF) program. While the administration rightfully collected interest on these funds, they remain in violation of state law by not conducting a weekly deposit of the interest into the general fund.

The Department of Administration has misclassified the interest earnings under an appropriation designated for funds received from the federal government. However, the interest itself was not received from the federal government, and no federal restrictions apply to its use. As a result, the Governor has amassed a slush fund of over \$170 million that he claims he can use for any use he sees fit, without legislative oversight.

Current law is clear: these interest earnings are required to be deposited weekly into the state treasury, making them available for legislative appropriation. In following with state law, this bill makes the deposit of \$172 million in current interest from a federal program revenue appropriation to the general fund.

Our State Constitution gives the power of the purse to the legislature, and this legislation restores legal compliance and reasserts legislative control over public funds. Thank you again for holding this hearing, and I hope you'll join us in support of Assembly Bill 286.

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